

Celsius Case No. 22-10964

August 13, 2024

Dear Honorable Judge Glenn,

I would like to thank this Honorable Court for your assistance in facilitating the long-awaited communication between Ionic Digital and its shareholders. On August 8, 2024, Ionic Digital issued a press release¹ updating shareholders on various matters relating to the company. Although the update was a welcome change from the radio silence we have received since emerging from bankruptcy, it further raised red flags on the inner workings at Ionic as well as confirming some of the rumors I mentioned in my first letter.

The CEO of Ionic, Matt Prusak, announced his resignation from the company via Twitter/X at the same time as the press release². The Board has elevated the new CFO, John Penver, as his replacement even though Mr. Penver has been employed with the company for less than a month!³ Although Mr. Penver's resume indicates he is highly qualified in his duties as CFO, there is nothing about his prior history of employment that would indicate he is even remotely qualified to run a bitcoin mining company⁴. Emmanuel Aidoo, Chairman of the Board of Directors at Ionic, claims significant progress has been made under the former CEO due to his "strategic vision" positioning the company to eventually become a leader in the sector. Since Mr. Prusak has not done any interviews or investor calls, I am requesting the chairman attend the next hearing to give all creditors/shareholders a thorough update on the progress and vision at Ionic. Mr. Aidoo was formerly an advisor for the estate fiduciaries in the Celsius bankruptcy during his time working at Perella and Weinberg, so the process should not cause any undue burden on him. He should be very familiar with the process.

I am pleased to find out Ionic is holding nearly 1,900 Bitcoin on the balance sheet (roughly \$100M at current prices), but shareholders are still missing key financial transparency over the past 6 months. Namely, how much of the \$225M initial funding in USD is left? What is the EBITDA and cash flow over the last 2 quarters operating under Mr. Prusak's vision? How much Bitcoin is the company mining on a monthly basis, and what is the average cost per coin to mine the Bitcoin? Industry standard in the mining sector is to release the number of coins mined monthly, so this is not too much information to expect from this company. Core Scientific, a direct competitor to Ionic, releases daily reports on their mining progress⁵. Moreover, who is managing the keys to the bitcoin wallets? Is this a multi-signature setup with a qualified custodian, as is standard practice, or are they being held in a centralized exchange?

We need more clarity on the compensation of Directors. In their Form 10 filing from April 30, 2024⁶, they state that \$195,000 and \$180,000 have been set aside for the Emergence Committee Chair and the Emergence Committee Member, respectively. The company has failed to distinguish 1) who these Board

¹ <https://www.prnewswire.com/news-releases/ionic-digital-issues-shareholder-update-302218126.html>

² <https://x.com/MattPrusak/status/1821599333243875490>

³ <https://www.prnewswire.com/news-releases/ionic-digital-announces-appointment-of-john-penver-as-chief-financial-officer-302194223.html>

⁴ <https://www.linkedin.com/in/john-penver-709243/>

⁵ https://x.com/Core_Scientific/status/1823330189025091686

⁶ https://www.sec.gov/Archives/edgar/data/2007691/000110465924054931/tm243976-2_1012ba.htm#tl6C

members are, 2) what the role entails since we have already emerged from bankruptcy, and 3) why such enormous compensation for this particular committee while other committee compensations range from \$5,000 on the low end to \$40,000 on the high end. On the topic of financial waste, I find it troubling that the press release was filed on stretto by Mr. Gregory Pesce of White and Case⁷ instead of Ionics in-house counsel Charles Ammann⁸. This begs more questions, 1) what role is White and Case serving with Ionic, 2) is Mr. Pesce serving in his personal capacity as attorney for Ionic or as a representative for his entire firm, 3) why couldn't the in-house counsel copy and paste the press release instead of outsourcing it, and 4) what compensation has White and Case received for their work for Ionic in the 8 months post emergence? An updated balance sheet and financials would easily clear up a lot of these questions. Unaudited financials would suffice as well.

In the press release, the company confirmed the rumor that their auditor, RSM US LLP, has quit, claiming this was a strategic decision by the auditor to leave the cryptocurrency sector altogether. However, this reasoning is problematic since I am under the impression that they are still the auditor for Terawulf Inc.⁹ and Griid Infrastructure Inc.¹⁰, both of which are direct competitors in the mining sector. Providing shareholders with company financials would go a long way towards assuring us that the auditor issues aren't an indication of further financial irregularities within the company.

I am requesting the Chairman provide shareholders with a more detailed update on the progress made by the plan sponsor, Hut8. The original plan contemplated the Cedarvale site construction completing by the end of 2024, but as of this press release, only 1 of the 4 buildings are ready for energization. Specifically, I would like a list of Hut8's expected services at the site with detail as to which ones were fulfilled and which were not. How many rigs are onsite energized and hashing, and how many are still idle and yet to be deployed. An asset list as well as current locations of those assets should have already been provided. The press release indicated the company amended its managed services agreement, specifically removing the liquidity deadline provision that was put in place in the event that the plan sponsor fails to provide shareholders with the liquidity that comes with a NASDAQ listing. I would like to know, in detail, why this provision was removed to benefit the plan sponsor who failed to meet their own June 2024 deadline for listing, and what compensation did Hut8 forego in lieu of avoiding termination? Also, why was the liquidity provision removed without also removing the non-compete list? Please provide shareholders the additional changes made to the agreement.

I am pleased to hear that Asher Genoot, CEO and Independent Board Member at Hut8, has stepped down from his position on the Board of Directors at Ionic, but I am equally troubled with the Ionic Board of Director's replacing all of these Board Members without any disclosures or shareholder approval. There is no reasonable justification to explain why H. McIntyre Gardner and Scott N. Flanders were replaced in June and July, respectively, while shareholders were only notified in August. Likewise, shareholders should be notified once the replacement for Steven Price is found. On another note, Mr. Gardner has been the Chairman of Spirit Airlines since August 2013; the stock is down over 90% in that time. Similarly, Mr. Flanders is currently busy serving as Chairman of two other publicly traded companies, Fathom Holdings (FTHM) and Digital Media Solutions (DMG). FTHM stock is down 95% since

⁷ <https://cases.stretto.com/public/x191/11749/PLEADINGS/1174908092480000000005.pdf>

⁸ <https://x.com/IonicDigital/status/1770800707274256593>

⁹ <https://pcaobus.org/resources/auditorsearch/form-ap-filing?filingid=120681&originalfirmformid=120681>

¹⁰ <https://pcaobus.org/resources/auditorsearch/form-ap-filing?filingid=123777&originalfirmformid=123777>

2021 and DMG is now traded OTC after it was delisted from the NYSE in September 2023. Hopefully not a sign of things to come.

I am once again requesting the Honorable Court require Ionic and the Chairman of the Board of Directors provide these disclosures within 5 business days. Shareholders are displeased by the lack of transparency and progress being made by this Board of Directors at Ionic. We are in the process of gathering a coalition of shareholders to remove the current Manager and replace with a more qualified team of professionals. We have received a tremendous level of support from shareholders in only a few days of outreach, and we plan to ramp up our efforts if this Board is unwilling to act. We hope to transition the company smoothly, but are willing to do what is necessary to salvage what is left of our investment. I thank you for your time.

Tony Vejseli

Pro Se

On behalf of myself and the following Ionic Shareholders; representing in excess of 1M shares and over \$20M in share value as of the most recent company valuation of \$740M.

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| Douglas Ross Stringer | Jason Deutsch |
| Simon Dixon | Ryan Kristian Schram |
| BF Portfolio Builder SPC | Matthew Steven Bolden |
| Bnk To The Future | Tiago Zortea |
| Robert Cole Baillie | Nader Zand Shirazi |
| David Schneider | Charles Wherritt |
| L. Kemper | Kirby Fell |
| Santiago Rivera Torres | Marlies De Boer |
| Christopher L Lucas | Matthew Heffington |
| Kishen Ratilal | Jason Michael Miller |
| Oscar Lancine Traore | Tyler Edward Glodt |
| Davis Chen | Joseph Lalia |
| Jeff Silverberg | Jeffrey Marvin Turner |
| Mario Marin | Heinrich Mahlkecht |
| Don Hosea Smith | Paris Castle IV, LLC |
| Samuel Argier | Shelem Pruchnik |
| Greg Keiser | Anson So |
| Andrew Yoon | Adam John Hey |
| Chris Paganelli | Craig Pearce |
| Zaryn Dentzel | David Santiago Hernandez |
| Keri Taiaroa | Patricia Vaughn |
| Christopher Villinger | Gabriele Sacchi |
| Anthony Marzano | Siah Keng Hock |

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| Corey Clark | Daniel Dale Brown |
| Oliver Pausch | Daniel Lee Crosby |
| Edward Joseph Cetin | Shawn Steinborn |
| Steinberger PTY LTD ATF Cetin Investments Super Fund | Roy Berg |
| Laura Faller McNeil | Daniel Jakobus Maree |
| Bfaller Rd LLC | Paul Douglas Breuder |
| Bfaller Roth RD LLC | Alexis De Vreese |
| Sfaller RD LLC | Thomas Docu |
| Sfaller TRD RD LLC | Michael E. Rahel |
| Christian Drucioc | Anthony Raul Salinas |
| Andrew Hine | Brian Michael Dunagan |
| Libby Mae Magbalot Calipusan | Daron Stevens |
| Alminda Fernandez | Anhminh Tran |
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| Isaya Leekrajang | Benjamin Michael Kadylo |
| Mark Rosolini | Ryan Tinney |
| Mitchell Cash | Bayette Brown |
| David Friis Hald | Daniel Sung Joo Kim |
| Goran Bosevski | Michael Altman |
| F. Weilenmann | David Senes |
| Ola Eirik Bolme | Robert Soekhlal |
| Thibault Giffard | Mark Andrew Ketterer |
| Stephen Garrett Watts | Evolution Networks, LLC |
| Edwin AJ Boer | Robert Rojas |
| Darius Gheorghe | Samuel Brockman |
| Stig Jellestad | Cory Trundy |
| Jellestad Capital S.A. SPF | Michael Kenish |
| Chye Teck Tan | Jorge Gallardo |
| Krik Cariston Seton | Soojin Lee |
| Man Ho Cheong | Wayne Gary Chenoweth |
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| Jones Asset Protection Trust | Ricky Agee |
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| Ron C Kirby | Luke Orr Family Super Fund Pty Ltd |
| Nadav Llan | Dario Savic |
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| Reeran Kim | Benjamin Temple Savill |
| Young Sook Kim | Roy Latourette |
| Risto Isak | Andrew Oh |
| Stephen Prince | Peter Dearne Pearson |
| Matthew Carpenter | Ibertrade Presentaciones SL ESB |
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| David Thornhill Coleman Jr | Christopher Paul Birnbaum |
| S. Kohan | Gregory Alan Zell |
| Shawn Parpart | Stephen John Beaumont |
| Justin James Nicholson | Jason Cebollero |
| Oeyvind Andrea Romundstad | Jeffrey Paul Duprex |
| Aryeh Newman | Perish Barnette |
| Ryan Reph | Paul Catalfio Truba |
| Jacob Kyle Sutley | Patrick D Lynch |
| Dimitry Kirsanov | Roshiv Sheth A/L Kirit Kumar |
| Ryan Alan DeCamp | Holland River Inc |
| Hugo Miguel Da Mota Cunha | Nikola Boskovski |
| Nicholas Yoney | Nikola Boskovsk |
| Carlos Santo | Robert Kaufmann |
| Brandon Corcoran | Victor O'Laughlen |
| Edwin Rainbow | Lakeside Oral & Facial Surgery Institute LLC |
| Peter Bogino | Gerald Medina |

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| Steven Philip Gonzalez | Jin Luo |
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| John Langley | Gordon John Hildred |
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